



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

September 24, 2020

BY ECF AND EMAIL

The Honorable Lorna G. Schofield
United States District Court
Southern District of New York
40 Foley Square
New York, New York 10007

Re: *United States v. Sohrab Sharma*, 18 Cr. 340 (LGS)

Dear Judge Schofield:

As the Court is aware, Centra Tech, Inc. co-founders Sohrab Sharma and Robert Farkas recently pleaded guilty pursuant to plea agreements with the Government to fraud conspiracy charges stemming from their roles in defrauding Centra Tech investors, and Centra Tech co-founder Raymond Trapani previously pleaded guilty under a cooperation agreement with the Government. The Government respectfully submits this letter, with the consent of defendants Sharma and Farkas and cooperating defendant Trapani through their respective counsel, to request that the Court so order and docket the enclosed proposed stipulation and order authorizing the United States Marshals Service to sell specified fraud proceeds that the Government previously seized in this case.

The fraud proceeds in question constitute 100,000 units of a cryptocurrency called "Ether" that the Government seized in 2018 from a digital wallet controlled by defendant Sharma pursuant to judicially authorized seizure warrants. The 100,000 Ether units — the value of which fluctuates, but which has at all relevant times been worth millions of dollars — are presently in the custody of the United States Marshals Service for safekeeping pursuant to the warrants. Defendant Sharma agreed to forfeit the 100,000 Ether units as fraud proceeds to the Government as part of his plea agreement, and defendants Farkas and Trapani have both represented and agreed that they have no right, title, or interest in the 100,000 Ether units and consent to the forfeiture of those proceeds to the Government. In order to maximize the pool of funds forfeited to the Government that would be available for any remission program that the Government may elect to create to compensate victims of the Centra Tech fraud,¹ the Government respectfully submits that it would be appropriate and prudent to sell the 100,000 Ether units in exchange for United States dollars.

¹ Under applicable forfeiture laws and regulations and Department of Justice policies, the Department of Justice's Money Laundering and Asset Recovery Section, in its sole discretion, may elect to compensate victims of a crime with the pool of crime proceeds forfeited to the Government in a particular case through (among other mechanisms) the creation of a remission program in which victims file petitions for remission within the Department and the Department determines which petitioners are entitled compensation from the pool of forfeited funds (and in what amount).

According to information provided to the Government by a prominent cryptocurrency exchange based in the United States, the market price of Ether has been volatile over the past several years. Because the dollar is significantly less volatile than Ether, converting the 100,000 Ether units into dollars will reduce the risk of this pool of funds shrinking in value.

For these and other reasons, the Government and all three defendants and their respective counsel have agreed to the attached stipulation and order authorizing the United States Marshals Service to sell the 100,000 Ether units in a commercially feasible manner with the net proceeds of the sale to be deposited into its Seized Assets Deposit Fund pending further order of this Court. Accordingly, the Government respectfully requests, with the consent of the defendants through their respective counsel, that the Court so order this stipulation and order.

Respectfully submitted,

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Acting Under 28 U.S.C. § 515

by: /s/
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cc: Counsel of Record (via ECF)